

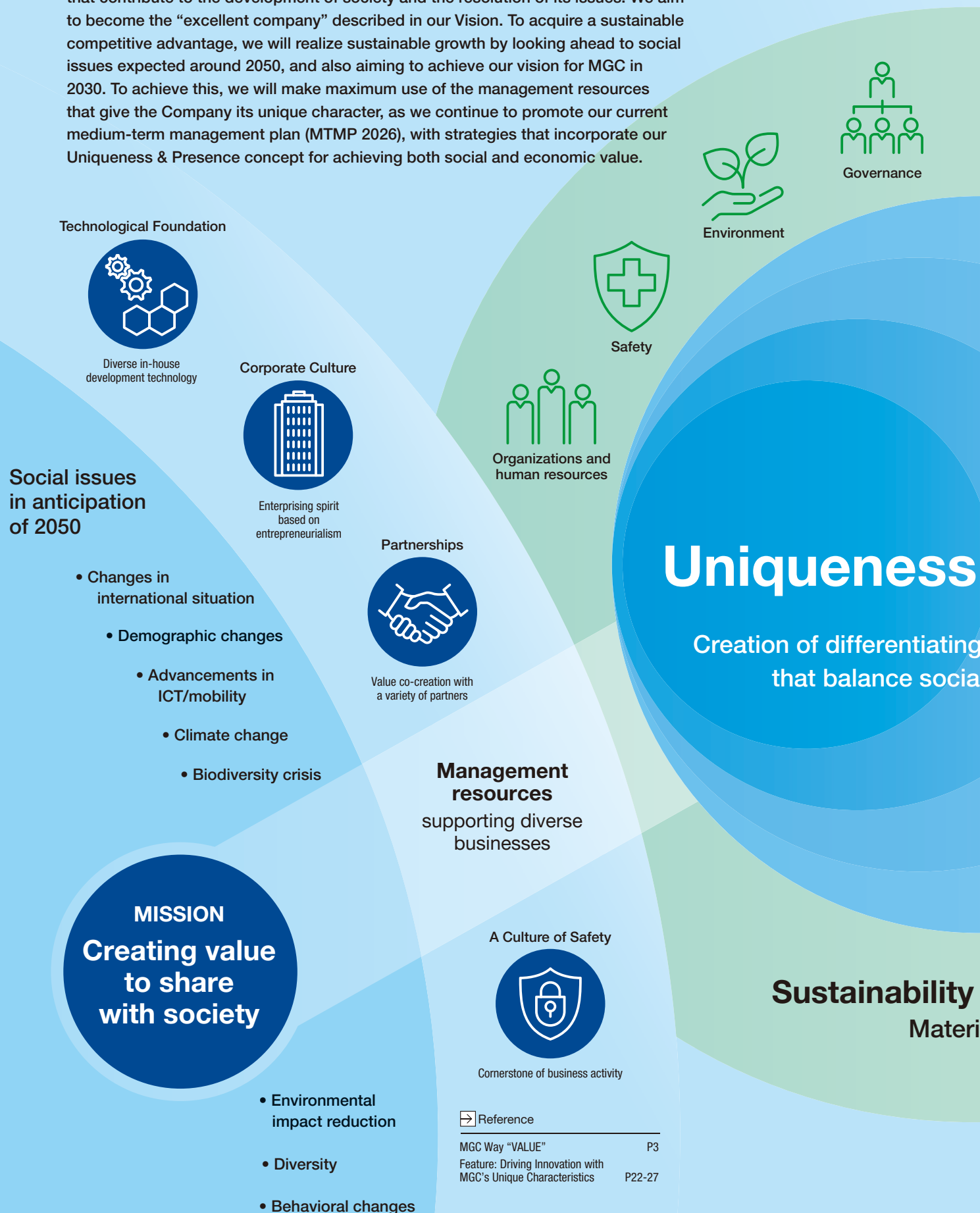
Value Creation Section

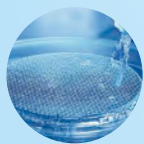
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Value Creation Process

The MGC Group's Mission is fundamentally about creating products and businesses that contribute to the development of society and the resolution of its issues. We aim to become the "excellent company" described in our Vision. To acquire a sustainable competitive advantage, we will realize sustainable growth by looking ahead to social issues expected around 2050, and also aiming to achieve our vision for MGC in 2030. To achieve this, we will make maximum use of the management resources that give the Company its unique character, as we continue to promote our current medium-term management plan (MTMP 2026), with strategies that incorporate our Uniqueness & Presence concept for achieving both social and economic value.





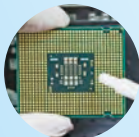
Electronic chemicals
(EL chemicals)



Engineering plastics



Optical polymers



BT materials

Contribute to
development of
ICT/mobility society



VISION

An excellent
company with
uniqueness and
presence built
on chemistry

Outcomes
addressing
social issues
through business

Output
leading to
a new era

Management
strategies
for accelerating
selection and
concentration

Solve energy and
climate change problems



Solve medical and
food problems



Methanol



Energy resources and
environmental businesses



MXDA



Oxygen absorbers



MX-Nylon (MXD6)



Antibody drugs



Aromatic aldehydes



Research and
development



Human rights

& Presence

products and businesses
and economic value

management
quality

Vision for MGC in 2030

Financial targets

Net sales	¥1.2 trillion
Operating profit	¥120.0 billion
Operating profit margin	10% or higher
ROE	12% or higher
ROIC*	10% or higher

Non-financial targets

GHG emissions
reduction of **39% or higher**
(compared to FY2013)

Sales of "Sharebeing"
(Sales of eco-friendly products)
¥500.0 billion or more

*ROIC = (operating profit - income taxes +
equity in earnings of affiliates) / invested capital

Reference

MGC Way "VISION"	P2
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Value Creation Section	P10-31
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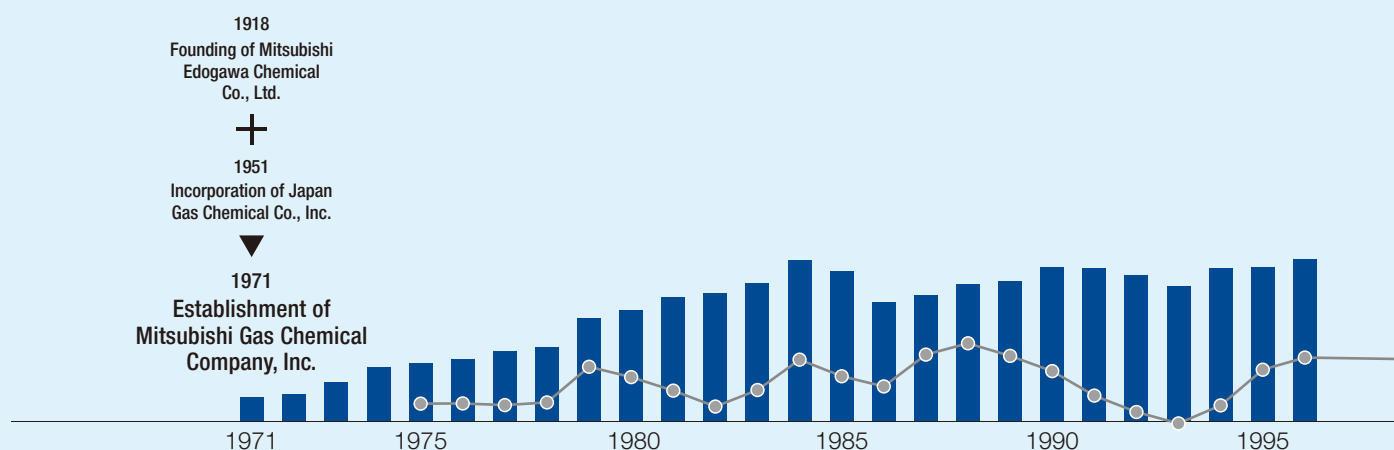
Reference

MGC Way "MISSION"	P1
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Business Operations and Main Products	P49-50
Specialty Chemicals Business Strategy	P51-54
Green Energy & Chemicals Business Strategy	P55-58

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The Source of MGC's Character



1970s

Mitsubishi Gas Chemical was established in 1971 through a merger of equals between two manufacturers emphasizing their own technology. This merger allowed the companies to complement each other's mainstay products, jointly procure resources and raw materials, and build a highly efficient integrated production system, as well as establish a structure capable of carrying out a technology-oriented investment strategy with a long-term perspective.



Signing ceremony
for the merger

1980–2000

With the impact of the oil shock, it became imperative to transition to a highly profitable business structure. While changing the location strategy for our production sites, we strengthened the R&D structure based on changes in the industry structure, such as expansion of the electronics-related market. We continuously executed large-scale investments aimed at strengthening the competitive advantages of our unique businesses.



Signing ceremony for
a merger in Saudi Arabia

1932 Hydrogen peroxide

1932 Yamakita Plant
1963 Yokkaichi Plant

1978
Kashima Plant
(Expanded in
1984, 2000)

1990 Indonesia

1979 Electronic chemicals (1986 Super-pure hydrogen peroxide, 1987 Super-pure

1986 Saga Plant
1987
Niigata Plant

1990 South Korea
(A plant newly established
in 2012)

1952 Methanol

1952 Niigata Plant

1983 Saudi Arabia
(Expanded in 1992, 1997, 1998, 2008)

1994 Venezuela
(Expanded in 2010)

1960 Polycarbonate, 1971 Polycarbonate sheet

1960 Osaka Plant (Up to 2002)

1989 Kashima Plant (Expanded in 2001)

1994 Establishment of
Mitsubishi Engineering-Plastics Corporation

1983 Specialty polycarbonate by interfacial polymerization method

1981 Polyacetal

1981 Yokkaichi Plant (Expanded in 1984; up to 2023)
1986 South Korea

1984 MX-Nylon (MXD6)

1984 Niigata Plant (Expanded in 1991, 1997)

1970 MXDA (1971 1,3-BAC)

1970 Niigata Plant (Expanded in 1982, 1992)

1968 Meta-xylene

1968 Mizushima Plant
(Expanded in 1992, 1996, 2005, 2009, 2018)

1981 Aromatic aldehydes

1981 Mizushima Plant (Expanded in 2023)

1975 Copper-clad laminates, 1981 BT resin

1975 Tokyo Plant (Up to 2004)

1992 Fukushima Plant
(Expanded in 1998, 2005, 2007)

Green Energy & Chemicals

Specialty Chemicals

U&P U&P businesses

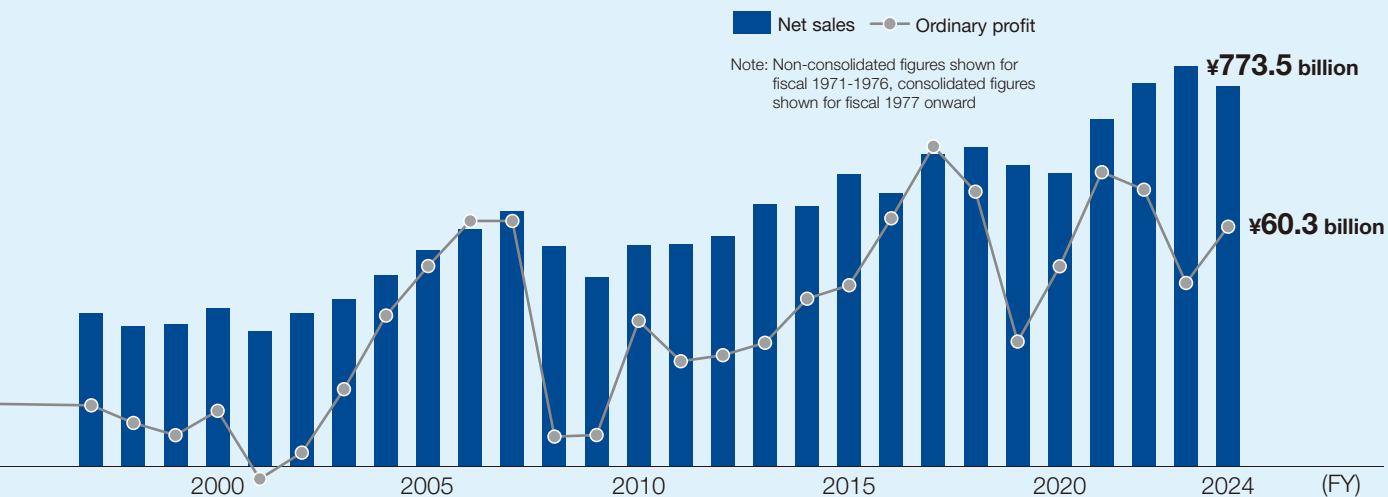
1977 AGELESS™

1978 Tokyo Plant (Up to 2006)

1991 Anaero Pack™

1981 Development of geothermal power

1994 Establishment of
Hachimantai Geothermal
Co., Ltd.



2000–2020

In light of intensifying global competition, we introduced the internal company system to accelerate decision-making. We promoted a strategy of increasing business value through differentiation, not only in specialty chemicals, but also in commodity chemicals. While addressing unprofitable businesses, we also promoted globalization, thereby strengthening our corporate structure and expanding our business.



Tokyo Research Laboratory

2020 onward

The internal company system was abandoned to further accelerate growth investment. The research organizations were centralized, and we moved to a business structure designed for overall optimization. To promote the creation of differentiating products and businesses that balance social and economic value, we have revised our business categories and evaluation processes, and we are striving to secure a sustainable competitive advantage.



MGC PURE CHEMICALS AMERICA

2009 China (Relocated in 2018)			2024 Taiwan	U&P
ammonium hydroxide)				U&P
1995 United States (Plants newly established in 2020, 2021; expanded in 2023, 2024)			2022 China	
1998 Singapore (Expanded in 2001)				
2000 Taiwan				
2010 Brunei			2020 Trinidad and Tobago	U&P
1997 Thailand (Expanded in 2003)		2005 Establishment of MGC Filsheet Co., Ltd.		
		2011 China		
2000 Melt polymerization special PC (Optical polymers)				U&P
2002 Kashima Plant (Expanded in 2010, 2016, 2019, 2022)		2023 Niigata Plant (Raw material monomer plant for optical polymers)		
1998 Lens monomer				U&P
1998 Naniwa Plant (Expanded in 2001)			2026 Yokkaichi Plant (Planned)	
				U&P
1996 Thailand (Expanded in 2003, 2012)		2002 China		
				U&P
2004 United States				U&P
2007 Mizushima Plant (1,3-BAC; expanded in 2017)			2025 Netherlands (Planned)	
				U&P
				U&P
2013 Thailand (Expanded in 2022)			2025 Thailand (Planned)	
2013 OPE™ (Oligo phenylene ether)				U&P
1994 RP System™		2002 PharmaKeep™		
		2002 Thailand		
		2015 MGC AGELESS 2016 Fukushima		
				U&P
(now Hachimantai Green Energy Co., Ltd.) (Started operations in 1994 to supply steam to Sumikawa Geothermal Power Plant)		2010 Establishment of Yuzawa Geothermal Power Corporation (Started operations in 2019 at Wasabizawa Geothermal Power Station)		
		2015 Establishment of Appi Geothermal Energy Corporation (Started operations in 2023 at Appi Geothermal Power Station)		

Founding DNA

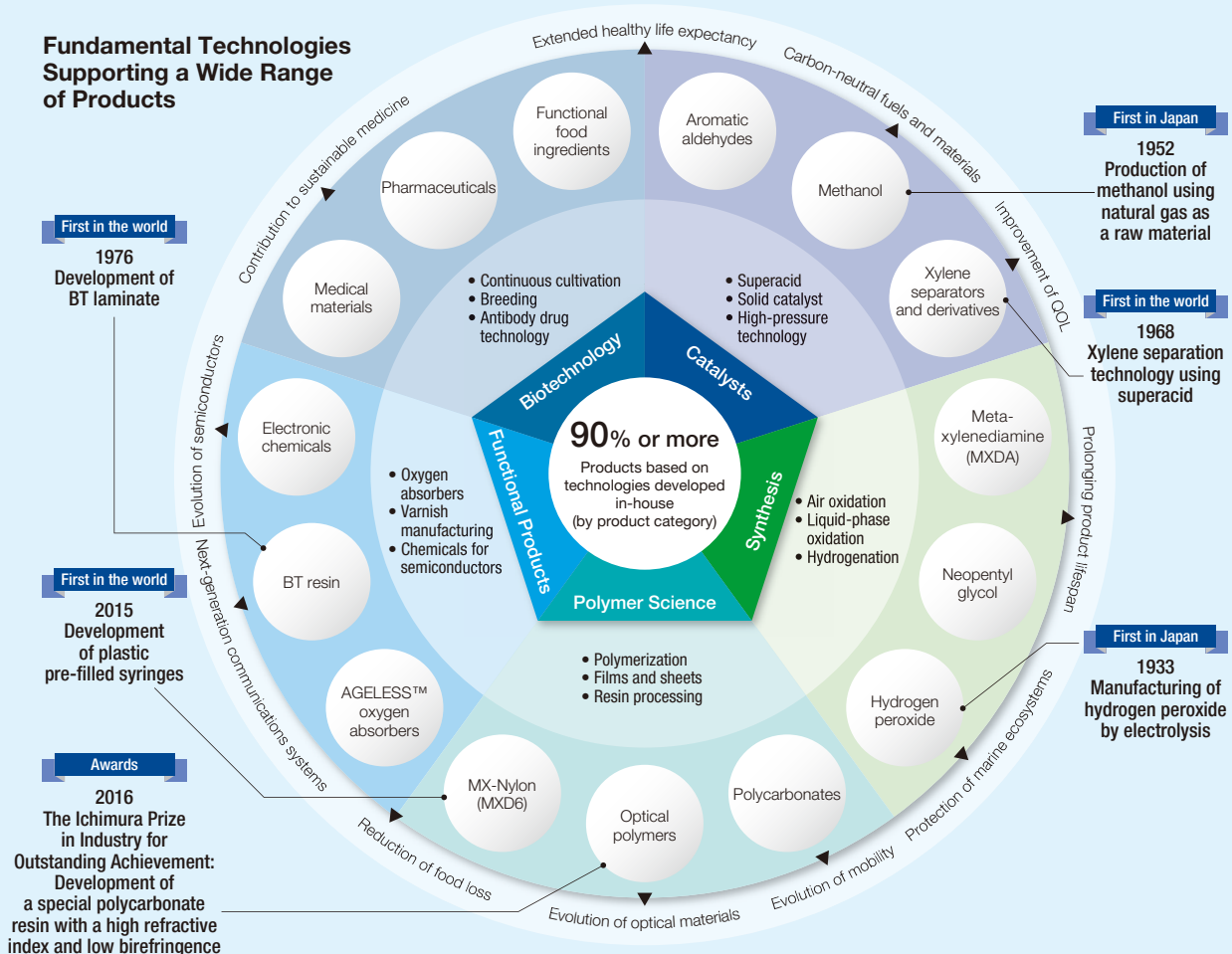
Establishing a Management Approach that Emphasizes Autonomy and Originality

From producing cutting-edge semiconductor materials to building a circular carbon platform, MGC is a truly distinctive corporate group. The reason that we are not limited to the typical scope of a chemical manufacturer is that we have refined and developed original businesses with a desire to create and produce completely new materials and technologies. This characteristic goes back to the time of our predecessor companies, Mitsubishi Edogawa Chemical Co., Ltd. and Japan Gas Chemical Co., Inc., which pioneered first-in-the-world and first-in-Japan businesses based on their own technologies, rather than relying on technologies introduced from overseas. Since the merger, the

corporate spirit of these two companies has been passed down through the generations of the Company.

In 1983, when the Company had annual sales of around ¥200.0 billion, it made substantial investments of nearly ¥100.0 billion in Saudi Arabia to fully develop the methanol business overseas. The Company's business vision included bold ideas that set it apart from other companies, such as this investment. It aspired to become a distinctive company with an unrivaled presence in the global market. These projects arose from proposals made by employees active on the front lines of business, which has led to our current management style that emphasizes individual autonomy.

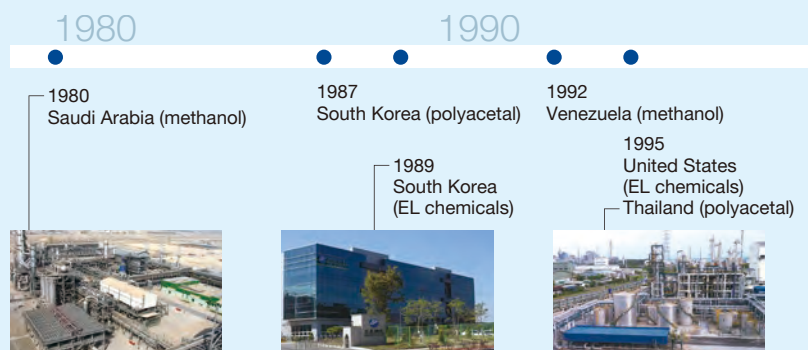
Fundamental Technologies Supporting a Wide Range of Products



History of Overseas Operations

(Years are years of company establishment)

In a corporate culture that encourages the challenger spirit, we conduct overseas business based on our original strategy, leveraging our own production and operation technologies. Since about 1970, we have secured a competitive advantage by establishing joint ventures with local firms. We contribute to the growth of local economies through technology transfers and operator training to maintain stable production.



Market Creation Based on a Differentiation Strategy

The MGC Group has created numerous products and technologies that have won high acclaim in the global markets, including methanol synthesis technology, xylene separation and isomerization technology, super-pure hydrogen peroxide, BT materials, and optical materials. However, the road to achieving these goals has by no means been an easy one.

Taking methanol to begin with, with the reverse oil shock and strong yen of 1985, the benefits of using natural gas mined by the Company in Japan virtually evaporated. Another source of revenue, the hydrogen peroxide market also became subject to increasing international competition from around this time. Prompted by the changes in our business environment at this time, we changed our business structure with the aim of achieving higher functionality and higher added value in our product lines. Since the prolonged economic stagnation of the 1990s, we have reinforced businesses with competitive advantages and expanded our overseas production sites.

Since 2000, we have been rigorously following a

differentiation strategy with a clear awareness of the factors that make customers choose our products.

We have constantly explored new growth markets and developed new applications in fields that are unlikely to attract entry by other companies.

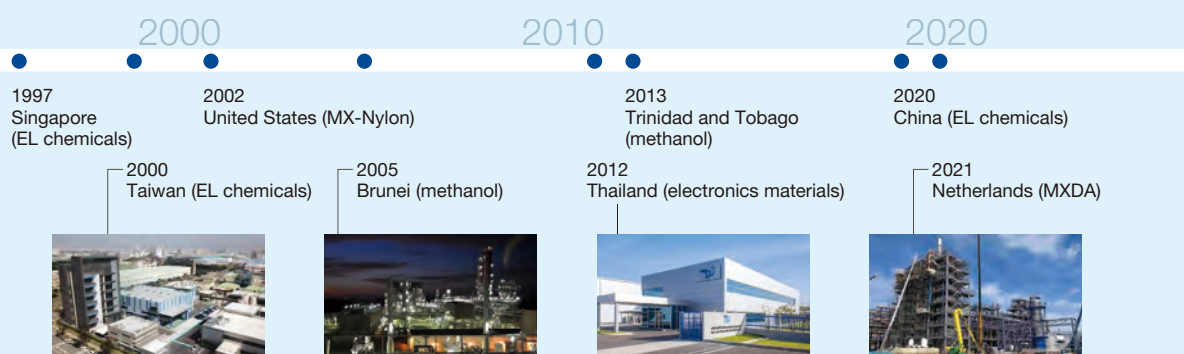
Furthermore, each business division has built a market portfolio combining multiple markets and applications with the aim of securing stable revenue. We have also worked to maximize product value by engaging in a “raw material location strategy” for methanol and a “consumption location strategy” for super-pure hydrogen peroxide. We have secured our competitive advantage, even in a business environment with increasing uncertainty, by diversifying our market portfolio and employing a location strategy to diversify our geographical footprint.

Considering the Group's history, the creation of new growth markets based on management resources and a differentiation strategy that define the shape of MGC's distinctive character can be seen as the Group's true innovation.

Increasing Product Performance and Expanding Applications

Share of sales Large Medium Small

	Decade	Up to 1950	1960	1970	1980	1990	2000	2010	2020
Hydrogen peroxide	Paper pulp, fiber, and industrial applications								
	Cleaning semiconductors, etching								
	Disinfection and sterilization								
BT materials	Printed circuit substrate materials for calculators and clocks, etc.								
	IC plastic packaging substrate materials								
	Chip LED substrate materials								
	High-frequency applications								
Optical materials	Organic photoconductors (OPCs)								
	Spectacle lenses								
	Camera lenses for smartphones, etc.								
	Automotive camera lenses								



Pursuing Uniqueness & Presence

Business Model

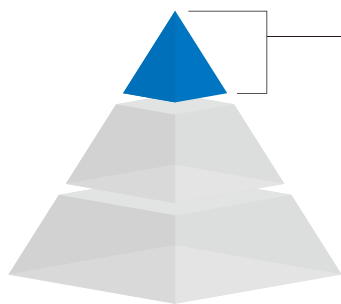
Realizing Our Vision with Uniqueness & Presence

The MGC Group is pursuing Uniqueness & Presence (U&P), a business model for creating products that combine unique characteristics that are difficult for other companies to imitate and a presence in the global markets. At the same time, it is also a value creation strategy based on a corporate culture rich in originality that has persisted since our founding. It is driven by dialogue with the market conducted by the Company's research personnel using distinctive technologies and resources (seeds). In addition, having grasped customers' needs and information through dialogue, we match these with our seeds to develop products offering higher functionality and qualitatively improve our solutions.

To maximize the effects of these activities, we manage our businesses by forming business management units (BMUs) within our business division organization. In our research organization, we have built a technology platform that enables a comprehensive overview of fundamental technologies supporting a wide range of products. We customize business seeds with a rich combination of fundamental technologies, leading to the development of new products and new grades. Furthermore, we have established an evaluation system to ensure that research resources are generously distributed to the most promising themes.



U&P Business Differentiation Strategy



Concentration of Resources on Development of High-Value-Added Products with a Distinctive Edge

The Group's product lines deliberately avoid the "volume zones" of their respective chemical markets, which are dominated by other companies. We have a history of creating value by producing global niche products with a unique perspective and proprietary technologies. In a recent example, the Company has captured a significant market share centered on the three ICT businesses—electronics materials, electronic chemicals (EL chemicals), and optical materials—which are growth drivers for the Company's profits. By focusing management resources on the development of high-value-added products with a distinctive edge that can contribute meaningfully to social innovation, we are helping to create economic value.

Examples of Products with a Distinctive Edge that Have Created Unique Niches



OPE derivatives

OPE™ is a thermosetting PPE oligomer developed with MGC's proprietary polymerization technologies. It delivers a sound balance between low-dielectric properties and various special features. As a material, it supports the performance requirements of high-speed substrates (motherboards) used in AI applications that demand high-speed transmission, as well as telecommunications infrastructure and data centers.



Ultra-high refractive lens monomers

These are plastic lens monomers with a distinctive ultra-high refractive index. Our lineup of materials with the world's highest refractive indexes are used as eyeglass lens materials for patients with severe myopia, a growing need in the global market.



Aromatic aldehydes

By continuously conducting product development that reflects the needs of customers, we efficiently manufacture aromatic aldehydes using a proprietary method with superacid catalysts that have a low environmental impact. We supply high-value-added customized products for a wide range of fields centered on resin additives and fragrance applications.

Creation of U&P Businesses

Balancing Social and Economic Value

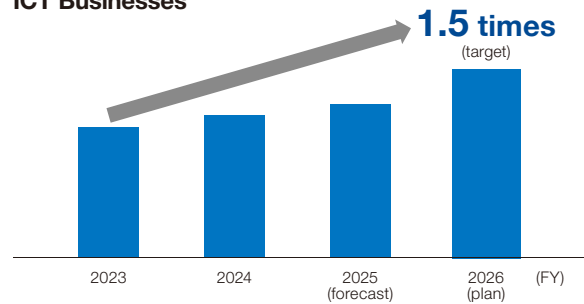
Under the current medium-term management plan (MTMP 2026), MGC has revised its definition of differentiating businesses as businesses that excel at being sustainable while also delivering both social and economic value. We have renamed these “U&P businesses.” We have identified the businesses that should receive priority allocation of management resources by evaluating them economically with ROIC*¹ and EBITDA*² as indicators, evaluating aspects such as their market share and market growth potential, and evaluating their potential as a sustainable business over the medium to long term. Using this new business classification, we aim to build a resilient business portfolio that can cope with changes in the business environment. In particular, we aim to achieve operating profit at a level exceeding ¥70.0 billion in fiscal 2026 by securing early returns on our large-scale investments

in U&P businesses, and by strengthening our ability to pass on rising costs to prices.

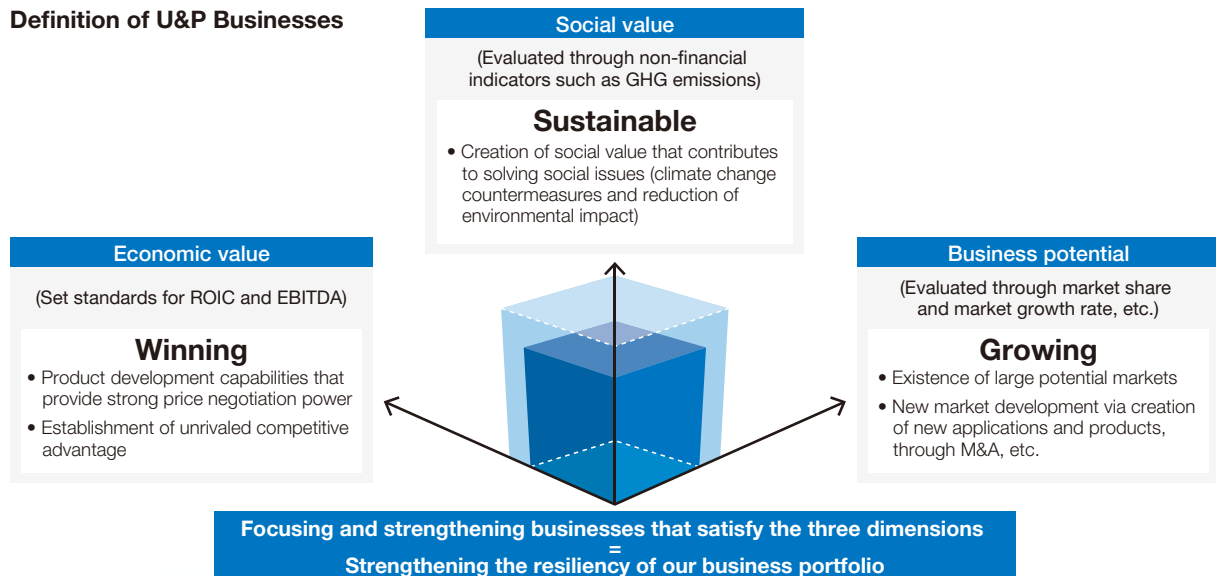
*1 ROIC = (operating profit - income taxes + equity in earnings of affiliates) / invested capital

*2 EBITDA = ordinary profit + interest paid + depreciation and amortization

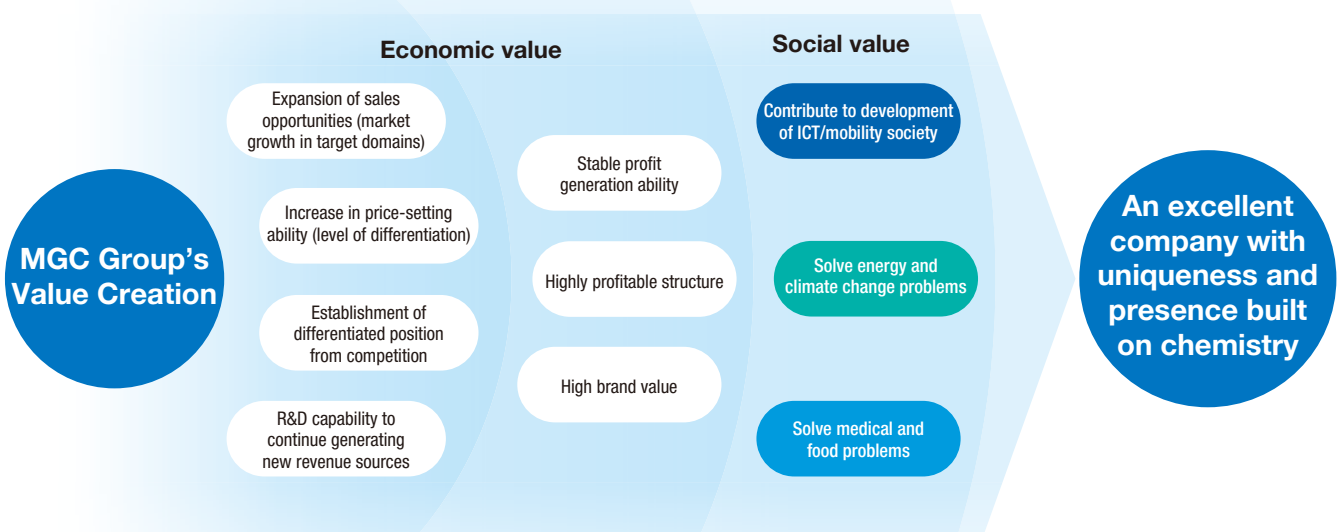
Net Sales of the Three Growth-Driver ICT Businesses



Definition of U&P Businesses



Expansion of Social and Economic Value



Management Process to Promote U&P Creation

Under the current medium-term management plan (MTMP 2026), we will create resources to develop the next business pillars by establishing a viable earnings structure for sustainable growth. In tandem with this, we will form robust systems and a management foundation to support continued creation of new growth markets by developing key personnel who will enhance our social value creation capability and lead the realization of U&P.

Business Portfolio Management

Acceleration of Growth Investments for Creating U&P Businesses

In fiscal 2024, we changed our business classification and evaluation process, and we are now concentrating management resource allocation on U&P businesses in order to accelerate growth investment from a perspective of overall optimization.

In the Specialty Chemicals and Green Energy & Chemicals Business Sectors, we established an investment budgeting system, which basically enables each segment to execute investments and loans within the scope of its operating cash flow. At the same time, we have also built a system that allows for proposal of investment or lending of amounts beyond the business sector's operating cash flow for strategic projects related to the entire company or the creation of next-generation businesses. For investments and loans that are subject to deliberation by the Operations Council, screening

meetings are held under the leadership of the Corporate Planning Division. To raise our effectiveness in choosing investment and loan targets, personnel in charge of the relevant segments meet to conduct pre-checks and risk assessments of the proposals.

Furthermore, each quarter, metrics such as ROIC and CCC are calculated for each business management unit, and these are shared internally, including with senior management, to ensure constant monitoring of capital profitability for each business after the investments are executed. While maintaining our financial discipline, we will be bold and courageous in allocating our resources for growth to drive our transition to a highly profitable corporate structure.

➡ Please refer to "Progress with Our Medium-Term Management Plan" on page 33 for details.

Investment Budgeting System

Investment budget	Budget for each segment	Specialty Chemicals Business Sector	We set operating cash flow less dividends as the investment budget for each segment.
		Green Energy & Chemicals Business Sector	
		Corporate Sectors (research labs, etc.)	
	Management budget	Following individual screenings, we allocate investment funds beyond each segment's investment budget (above the cap) to projects related to strategy for the entire company, ESG, or the creation of new/next-generation businesses.	

Research and Development

Focusing Research Resources on New Business Development

The Group's sustainable growth requires not only the growth of existing businesses, but also the creation of new ones. To secure diverse profit generators, we are focusing on ICT and mobility for their substantial growth in recent years, and on the medical/food area for its minimal volatility effect, as the three target areas for our R&D activities.

We have established scoring-based research evaluation indicators for all of the research themes that we are advancing in-house, based on the approach shown in the following diagram. We are boldly shifting research resources to themes that have scored highly. Furthermore, we have built a business field map to visually represent the relationships among market trends, proprietary

basic technologies, and progress. In building it, we also considered factors such as our human capital and IP, and added views of inter-business synergies and collaborations with other companies and academia. Using the field map, we have created a list of the technologies, human capital, and IP that we need to supplement internally, and we are now looking at options such as in-licensing technology. Through the accumulation of these activities, we will develop the businesses that will support our next generation.

➡ For details, please see "Research and Development Strategy" on page 45.

Key Points for Setting Research Themes

	1. Business portfolio target area	2. High suitability to the Company	3. Future growth areas
Type A: Theme in growth areas of existing business Priority injection of resources driving future growth			
Type B: Theme in growth areas outside existing business Development of new markets such as contributing to a sustainable society			
Type C: Theme with commensurate return on investment in existing business Expansion of existing business through detailed response for each product			

Coordination with Our Strategy for Creating Social Value

The MGC Group promotes management that responds flexibly and swiftly to changes in society's structure and values as "sustainability management." Under MTMP 2026, we evaluate each business not only in terms of economic value, but also by considering aspects such as its contribution to GHG emission reduction and solving social issues, looking to improve it to achieve growth over the medium to long term.

With the MTMP 2026 objective, "strengthen the resiliency of our business portfolio," we have made the promotion of research themes for resolving the issue of climate change a key measure, and we are allocating research resources to this.

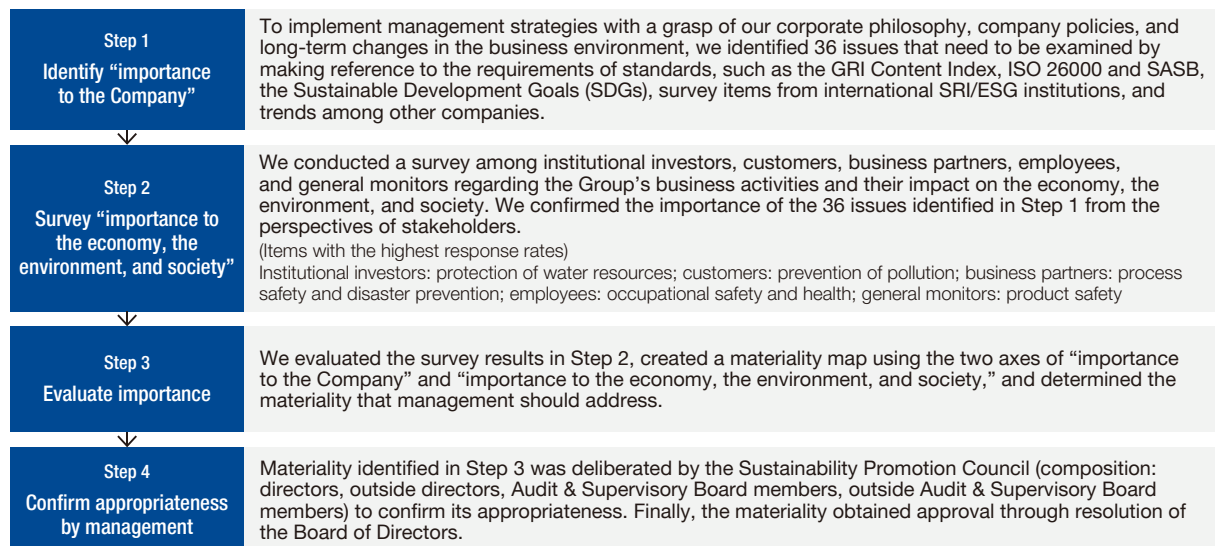
Another objective is "promote sustainability management," and in 2023, prior to the formulation of MTMP 2026, we again identified this as one of our priority issues (materiality) affecting sustainable value creation.

We have set fiscal 2030 KPIs for each materiality issue, and linked these to the medium- to long-term targets of the supervising divisions. We will strive to steadily execute measures to achieve these targets by implementing PDCA cycles centered on the Sustainability Promotion Council, which mainly comprises all of the Company's directors. In particular, we adopted sales of the eco-friendly "Sharebeing" products as a KPI for the creating shared value (CSV) domain to present to the public a more quantitative indicator of the Group's contribution to the environment.

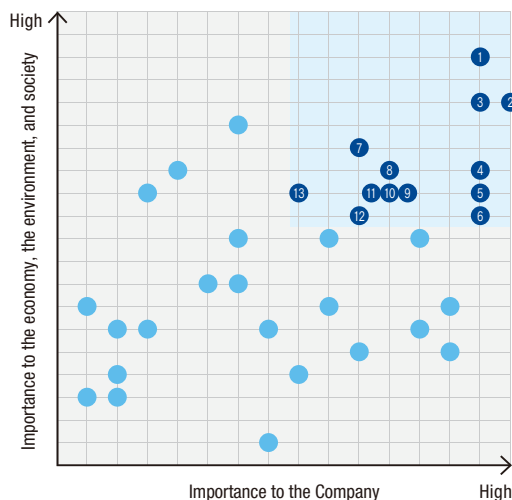
Through such measures, we are working to minimize management risks and maximize business opportunities, thereby enhancing our ability to create social value and ensure stable future cash flows.

☞ Please refer to "Progress of Materiality" on page 38 for details.

Materiality Determination Process



Materiality Map



13 Issues

- 1 Reduction in GHG emissions
- 2 Occupational safety and health
- 3 Improving energy efficiency and reducing energy usage
- 4 Process safety and disaster prevention
- 5 Development of environmentally friendly products and technologies
- 6 Development and retention of human resources
- 7 Product safety and quality
- 8 Respect for human rights
- 9 Promotion of diversity and inclusion
- 10 Increased efficiency in resource usage
- 11 Reduction of industrial waste
- 12 Governance and internal control/risk management/compliance
- 13 Building sustainable supply chains

11 Materiality Issues

- Contribution to solving social issues through business
- Promotion of innovative R&D
- Proactive response to environmental problems
- Highly energy- and resource-efficient production
- Cultivating a corporate culture of job satisfaction
- Promotion of diversity and inclusion
- Respect for human rights
- Ensuring occupational safety and health/ process safety and disaster prevention
- Chemical/product quality and safety assurance
- Promotion of socially responsible sourcing
- Strengthening governance and internal control/risk management/compliance



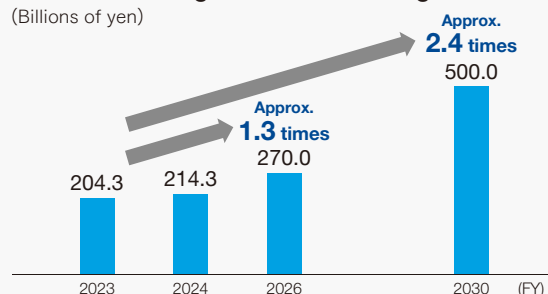
Sharebeing Creation of “Sharebeing” Eco-Friendly Products

“Sharebeing” is a designation that we apply to the MGC Group’s eco-friendly businesses and products that contribute to reducing the environmental impact of society in each aspect of the product life cycle (raw material production, manufacture, distribution, usage, disposal, and recycling) by leveraging the Group’s unique technologies and other attributes.

The designation is applied after deliberation by the Corporate Planning Division, Environment Safety & Quality Assurance Division, and Production Technology Division to determine that a business or product meets our unique designation standard. Designations are made based on the specific application of each product or service, even within the same business or product line. For each application, we systematically organize the environmental contribution factors across the entire life cycle.

Through our provision of “Sharebeing,” we will actively promote the building of a carbon-neutral society, and the realization of a decarbonized, circular carbon society. We will also use “Sharebeing” as a way of creating U&P products and technologies that are competitive in the markets.

Quantitative Targets for “Sharebeing” Sales (Billions of yen)



Origin of “Sharebeing” “Share” + “Being”

Under our Mission of “creating value to share with society,” we are dedicated to providing “Sharebeing: products that can be shared with society” to reduce the environmental impact of society by leveraging our unique and distinctive technologies to create valuable products that meet society’s demands.

We will accelerate our efforts to realize carbon neutrality, having set “Sharebeing” (eco-friendly product) sales as a KPI for our materiality issue “Contribution to solving social issues through business.”

Main “Sharebeing” Businesses and Products

Main designated businesses and products	Contributing elements
Carbopath™ circular carbon methanol	Prevention/mitigation of global warming, certification (ISCC PLUS certification)
AGELESS™ (oxygen absorbers)	Resource recycling
MXDA (coating curing agent)	Renewable energy, air quality protection, prevention/mitigation of global warming, certification (ISCC PLUS certification)
Hydrogen peroxide (bleaching agent)	Air quality protection, water environment protection
MX-Nylon (resin with high barrier properties)	Resource conservation, certification (ISCC PLUS certification)
Reny™ (high-performance polyamide resin)	Resource conservation, prevention/mitigation of global warming
lupital™ (polyacetal resin)	Water environment protection, prevention/mitigation of global warming
lupilon™ (polycarbonate resin)	Prevention/mitigation of global warming, certification (ISCC PLUS certification)

Human Resource Development

Continuous Development of Key Personnel to Drive Creation of U&P Businesses

The Company promotes management focused on human resources as the most important capital for value creation. We are pursuing a human resources strategy of sustainably developing key personnel who are able to grow over the long term. These key personnel refer to management and highly specialized human resources who will lead each business division based on the Company’s overall policy and individual business strategies while responding to accelerating changes in society.

The defining characteristics of the MGC Group are the broad scope of its business domains and its business expansion in the global market. To continuously produce key personnel to drive this expansion, and sustainably create U&P businesses, we allow human resources to accumulate diverse experiences and stimulate each other, drawing out their full potential and increasing the capabilities of our organization.

We therefore seek to provide opportunities for them to accumulate diverse experiences. For our career-track employees, we discern their individual character and have them experience overseas assignments and large projects while they are young; while technical employees are also

deliberately rotated through jobs predicated on long-term career formation in sales, corporate planning, and management divisions.

➡ For details, please see “Human Resource Strategy” on page 59.

MGC Commons Innovation Center



MGC Commons opened in 2023 as a hub for open innovation that supports new value creation by promoting interaction among various human resources and organizations from inside the Group and also from academia, start-up companies, and others.